# **Process of Creating Value**

The Daiken Group aims for the realization of a sustainable society and the creation of economic and social value by contributing to solving social issues, such as Sustainable Development Goals (SDGs) through business activities that make use of our unique strengths. The Group also united CSR activities based on Environment, Social, and Governance (ESG) to make our businesses robust.

# Growth strategy and enhancement of the management foundation

Business and market strategies

Industrial materials business

Global market

Public and commercial buildings

Building materials business

Industrial materials

Engineering business

lome renovation market

Domestic new home market

Financial affairs

Business infrastructure

## ESG (CSR) activities

**Group Conduct Guidelines** 

Introduce management resources

► P.45 Environment

Social

Medium-Term ESG Plan

Social

G F.33 Governance

Promotion of workstyle reformDevelopment of local

Social issues and needs

SDGs\*

• Realization of low-carbon

recycling-oriented society

Measures for biodiversity

Conservation of tropical

• Decrease in labor force

Promotion of diversity

Measures for water resources

• Building a

ABLE GOALS

 Revitalization of the domestic forest products industry

Preparation for natural disasters

 Improvement of the safe, secure, healthy, and comfortable living environment

 Response to the super-aging society

### Creation of economic

#### and social value

### Creating shared value (CSV) by

# Daiken businesses

Promoting the use of domestic timber

- Recycling of wood resources
- Reduction of CO<sub>2</sub> emissions
- Creating a safe, secure, healthy, and comfortable space
- Effective utilization of unused resources
   Promotion of anti-seismic
- performance

  Saving construction

 Saving construction time and work

> R&D and Innovation



Strengthen the foundation

of value creation

Optimized financial foundation

Firm and flexible business infrastructure

Management foundation

enhanced by ESG

# Management goals

#### Financial indicators

Net salesOperating profit12 billion yen

• Operating profit ratio 5.3%

 Profit attributable to owners of parent

7 billion yen

• ROE 10% • ROA 7%

• Shareholder equity ratio 40%

• Dividend payout ratio 30% or more

### Nonfinancial indicators

 Total CO₂ emissions in Japan (26%) (compared to fiscal 2014)

• Total diversity index\* +20pt

 Serious quality accidents and violations

\*Our own indices in which the eight diversity items, such as the female manager ratio, were indexed as compared to fiscal 2019

 Degree of penetration of the +10pt Group Corporate Philosophy\*

\*Our own indices in which employees' understanding, sharing, and practice of the group corporate philosophy were indexed as compared to fiscal 2018 Achieve the vision of the Group Corporate Philosophy

Achieve the Long-Term Vision GP25

### \* SDGs

1 No poverty

2 Zero hunger

3 Good health and well-being

4 Quality education

5 Gender equality

6 Clean water and sanitation

7 Affordable and clean energy

8 Decent work and economic growth

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9 Industry, innovation and infrastructure

10 Reduced inequalities

11 Sustainable cities and communities

12 Responsible consumption and production

13 Climate action

14 Life below water

15 Life on land

16 Peace, justice and strong institutions

17 Partnerships for achieving the goals

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